



WESLEYAN
SENIOR LIVING
www.villageliving.com

the MESSENGER

WESLEYAN VILLAGE • WESLEYAN MEADOWS

More Living. Less Worry. More Everyday.

SPRING 2009



Photography by Mark Nowak

In This Issue

- President's Message (pg. 2)
- Heart Walk/Second Wind Dreams (pg. 3)
- IRA Information (pg. 4)
- Giving/Annuity Information (pg. 5)
- Wish List/Sponsorship Opportunities (pg. 6)
- Meadows News (pg. 7)
- Golf Outing - Back Cover (pg. 8)

*We make a living
by what we get,
but we make a life
by what we give.*

Winston Churchill

PRESIDENT'S MESSAGE



Michael H. Rogan
President/CEO
Wesleyan Senior Living

Spring 2009

In the last edition of the Messenger, I commented on the economy and the general impact it has had on our organization. Since then, the past nine months have been the most challenging times I have seen in my 37 years of working. As a banker back in the late 70's, I recall when mortgage rates were over 15%, and certificate of deposit rates were in excess of 20% at some banks. We experienced a period of stagflation, but despite the economic turmoil around us, there still seemed to be a general positive attitude.

The current recession has impacted all of us in a different way, with a more pervasive negative attitude than I recall before, despite the predictions from many economists that we have reached the bottom and are starting a slow climb back up.

The long-term care industry continues to struggle with losses on investment portfolios and challenges to independent living occupancy. Wesleyan Senior Living is no different, as we have and are experiencing the same factors that have caused us to look deeply into how we can more effectively manage the organization. We have taken the approach that we need to be proactive and to address small problems before they become large ones, and to not sit back and wait and hope for the expected recovery to make everything better.

Despite the fact that operationally we remain strong, we have been working continuously to look at all aspects of operations to make adjustments and seek affiliations that will strengthen us and help us weather the storm. All of these efforts were directed at areas that did not impact associates or Residents. Examples are property and liability insurance renewals, negotiating natural gas contracts, and entering into more group purchasing contracts to lower our costs.

With the economy still stagnant, the investment portfolio struggling, and entrance fees from new Residents below prior years, we again want to be proactive and take steps to adjust to the times yet still retain our commitment to quality of care for all whom we serve. As a result, we have initiated several reductions to non-union wages and pension to reduce costs even further. We will also be asking the two unions who represent a majority of our associates to accept similar measures. The intent is for these to be temporary reductions to allow us to weather what we expect will be a challenging 2009, with the expectation that the reductions can be restored in 2010. Our emphasis has been on wage reductions, NOT reductions in staff. We want to retain staff so as not to impact quality of care. However, there will be just a few minor job adjustments in non-direct care staff.

We truly believe that while these steps are not enjoyable, they are an appropriate response to making sure that we stay strong and emerge from the recession in good shape and prepared for the future. We need the continued support of all of our constituents, and together we have faith that we will continue our mission and service to all of those we serve.

Pictured On The Front Cover:

Walking In The Park With Grandpa

This Quaint Picture Is Proudly Displayed On The Shelf Just Outside The Ellis' Village Park Apartment At Wesleyan Village. Rev. Lloyd And Mrs. Esther Ellis Have Been Residents Of Wesleyan Village For Over Six Years And Always Enjoy Spending Time With Family And Taking Walks In The Park.

Our Mission:

To provide quality services and residences enabling persons to age creatively with the support of a Christian community

2009 American Heart Association Heart Walk

For the third year, Wesleyan Senior Living has provided bagels to the hundreds of hungry walkers participating in the 1 and 3 mile heart walk around Avon Commons. Residents from both campuses, as well as Associates, come out to join in on the fun. As a corporate sponsor, Wesleyan Senior Living and the Wesleyan walkers provide over \$2000 in donations to this worthy cause. Special thanks to Residents Jan Ostrov (Wesleyan Meadows), Barb Strick (Wesleyan Village) and Associates Roni Mehling, Agnes Klimkowicz and Chairperson, Neil Bright for a great team effort in the booth.



Thank you to Cysco Foods for donating the bagels.



June is *Second Wind Dream Month*

Second Wind Dreams (SWD) is a national non-profit organization and has a goal of bringing seniors to the fore-front in our society. The program enriches lives and empowers seniors to age with dignity. SWD was started in 1997 as a labor of love for our elders. Since then, SWD has become involved in over 235 facilities in 40 states, Canada and India, enriching lives, empowering elders and making their dreams come true.

Here at Wesleyan Senior Living, we have been a program site for SWD since 2004. Wesleyan Senior Living strives to serve our Residents through our mission-based programs and residences. SWD helps to reconnect individuals with people or experiences that once meant so much to them. Unfortunately, many individuals have a variety of limitations that would prevent them from pursuing their interests on their own. SWD provides support that enables our seniors to think "beyond the walls" of our community and experience dreams they may have thought impossible.



A couple of recent dreams were for Residents of Wesleyan Village and Wesleyan Meadows. Mr. Robert Nicholls' dream was to ride in a 1941 Lincoln Zephyr and Mr. Paul Fackler's dream was to go see his twin newborn great-grandchildren in Maryland.



Second Wind Dreams was able to make these dreams happen for our Residents. June is considered "Dream Month" here at Wesleyan Senior Living. We are celebrating this by promoting SWD and bringing awareness to the community. If you have any questions, or would like to contribute to SWD, please contact Beth McKee, Chaplain and Chair of the SWD Committee, at 440.284.9256.

Giving In Tough Times Can Provide More for Your Heirs and Cut Taxes

Americans today are anxious about their money. Their stock values are falling and their 401(k) plans are so low that it's hard to open the quarterly statements. It may be the wrong time to think about charitable giving—or is it?

A Winning Strategy

Would you be interested if there were a strategy to combine your depressed asset values with a charitable gift that:

- Provides money to your favorite charity each year for a certain number of years
- After the period of years, gives what's left to your family
- Shelters the potential growth in the assets from additional taxes?

This technique, called a family charitable lead trust, helps affluent families remove wealth from their estates and give it to heirs in future years. Although what's left in the trust is a taxable gift to the kids, this strategy allows you to pass assets to your heirs with no-to-low gift taxes.

How It Works

The lead trust is ideal if you're charitably inclined and willing to forgo access to part of your wealth now, but you don't want to deprive your heirs of that wealth later on. With this strategy, you give assets to a trust, and the trust makes payments to one or more of your favorite charities for a number of years, which you choose. The longer the length of time, the better the gift tax savings for you.

Fixed or Variable Charitable Payments?

A charitable lead trust can make payments in one of two ways: a charitable lead annuity trust pays a fixed amount each year to the charities, whereas a charitable lead unitrust (the less common type) pays a variable amount each year based on the value of the assets in the trust. With the unitrust, if the trust's assets go up in value, the payments to charities go up as well. On the other hand, if the assets decrease in value, so do the charities' payments.

When the Trust Term Ends

After the period of years, the assets inside

the trust generally pass to your kids. If you place depressed assets inside the trust at the beginning, they can grow in value over time and avoid gift tax on their appreciation. In other words, you pay gift tax on the lower value today, and, ideally, the kids get the assets at a much higher value years later without incurring additional gift taxes.

The Time Is Now

During this economic recession, the charitable midterm federal rate, the interest rate used in calculating the amount of the gift subject to tax, is the lowest it has ever been. Compared to the highest it has been, 11.6 percent in 1989, the current low rates mean a higher tax savings for funding a charitable lead trust. The best gift tax breaks combined with assets that may be depressed in value temporarily create the perfect opportunity to consider a lead trust.

The tax savings are in the form of gift-estate taxes, not income taxes.¹ So, this strategy may be right for you if you are in a situation where your wealth would most likely be subject to estate taxes at your death. In 2009, estates worth more than \$3.5 million are subject to an estate tax of 45 percent on the amount over \$3.5 million.² In other words, for every \$1 million over the threshold you want to leave to your heirs, estate taxes will consume \$450,000.

An Example

Jerry has \$1 million in securities that create dividends he doesn't need to support his lifestyle. With his other assets, his estate is worth \$6 million. His ultimate goal is to have his two children inherit his wealth, but he does enjoy supporting his favorite charity. In fact, Jerry would like to make a \$1 million or more pledge over the next 15 years to help provide the charity with financial support.

The Solution: Jerry established a charitable lead annuity trust and funded it with \$1 million in securities. When Jerry created the trust with his attorney, he was able to choose which charity or charities he wanted to support and which family

members he wanted to receive the assets in 15 years. Plus, he decided how much he wanted his charity to receive each year—the higher the payment to charity, the lower his taxable gift. He chose to have the trust pay \$75,000, 7.5 percent, annually for the next 15 years.

Because of the low interest rate, Jerry's \$1 million gift to the trust generates a taxable gift in the amount of only \$36,310.³

The Benefits: If Jerry had instead left the children \$1 million of securities, all \$1 million would have been subject to estate taxes at a marginal rate of 45 percent and the children would have inherited only \$550,000 after tax; the tradeoff to the kids with the lead trust is they have to wait 15 years to get the full \$1 million. Therefore, by implementing a charitable lead trust:

- The children will receive what's left in the trust (whatever the \$1 million grows, or declines, in value to in 15 years).
- Only \$36,310 of the \$1 million in securities is subject to gift tax.
- All the growth the securities earn over the next 15 years escapes gift tax, too. Therefore, if the assets grow to \$5 million in 15 years, the children would receive the full \$5 million without paying a penny in additional taxes.
- When Jerry dies, the value of the lead trust is not in his estate and therefore is not subject to estate taxes.
- Jerry is able to control the timing of when his children receive the assets—in this case, 15 years.
- His favorite charity will receive \$75,000 for 15 years, or \$1,125,000 overall, in support of its mission.

Is This Right for You?

This strategy is most useful to those individuals who can afford to give up the asset now, including any income generated by that asset because it will be placed inside a trust that is not changeable or revocable in the future. The person donating assets to the trust must be in such a financial position that he or she will never need the assets placed in the lead trust.

(Continued from pg. 4)

For More Information

Please contact Mike Rogan at 440.284.9202 or mrogan@villageliving.org for more information on charitable lead trusts or other economically sensible ways to incorporate philanthropy into your estate plans. As always, contact your estate planning attorney and tax professionals for legal and tax advice before employing a charitable strategy.

- 1 A different type of charitable lead trust, called a grantor lead trust, can offer an up-front income tax deduction to the donor, but it also causes all the income in the trust to be taxed to the donor. Because of the grantor lead trust's tax structure, it is not commonly used. The more common type is discussed in this article—the family lead trust.
- 2 Current law repeals estate taxes just for those dying in the year 2010. The estate tax exemption amount drops to only \$1 million in the years beyond 2011 leaving all those estates worth more than \$1 million subject to estate taxes up to 55 percent. At this time of the writing, President Obama campaigned to keep the estate tax exemption at the \$3.5 million level in the future.
- 3 Assumes annual payments and a two percent charitable midterm federal rate.

Are You 70½ or Older?

Make lifetime gifts using funds from your individual retirement accounts (IRAs) through 2009 without any undesirable tax effects.

Thanks to charitable IRA legislation enacted at the end of last year, you can make lifetime gifts using funds from your individual retirement accounts (IRAs) through 2009 without any undesirable tax effects. If you want to support our charitable cause, we hope you'll consider making this type of IRA gift that can be accomplished simply and without tax complications, while you are living and able to witness the benefits of your generosity.

You may contribute funds this way if:

- You are age 70½ or older at the time of the gift.
- The gifts do not total more than \$100,000 in 2009.
- You transfer funds directly from an IRA.
- You make the gifts to qualified public charities. (This excludes gifts made to charitable trusts, donor advised funds, charitable gift annuities and supporting organizations.)

Note: You can make a gift from your IRA even if you don't have to take a required minimum distribution in 2009.

Example: How It Works

Robert, 80, has \$450,000 in an IRA and made a pledge to give us \$75,000 this year. If Robert transfers \$75,000 from the IRA directly to us to satisfy the pledge, he will avoid paying income tax on \$75,000. At the same time, however, Robert will not be able to use it as a charitable deduction—it is a pure wash. It is an easy and convenient way for him to benefit us without tax complications.

Want to Put Your IRA to Work Today?

Simply contact your IRA custodian for the forms necessary to transfer your desired gift amount directly to Wesleyan Senior Living Foundation.

Sewing Symbols of Faith

by Rev. Beth McKee



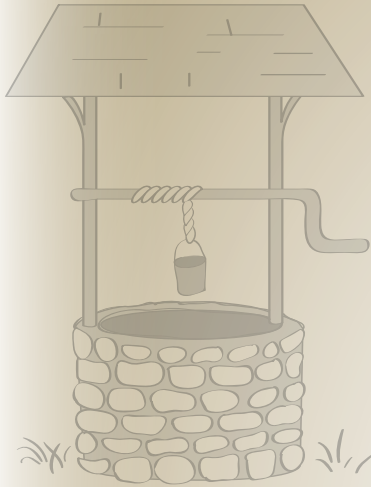
John Cox is an artist who uses cloth as his palette, needle and thread as his brush and paint. For that reason, and for his dedication to the spiritual care department at Wesleyan Village, I went to him a few weeks ago with a request. "John," I said. "I need some new stoles for my robes- are you ready for a project?" Eager to take on the task, we discussed what we might do and consulted with the director of our arts and crafts studio, Teresa Brown.

The result of our meeting? Three beautiful new stoles: white, blue, and black. They are all special, but the blue one I call our "Wesleyan Senior Living Stole" because it reflects our blue and gold colors, and incorporates three symbols that are important to our community- the cross, the heart, and the fleur de lis. As always, John has made a beautiful contribution to our chapel vestments and has done such excellent work that one stole is to be entered in the upcoming AOPHA art show. *Thank you, John Cox, for using your time and talents for our sake!*



Wish List Items

Associates were asked to provide a Wish List of items that would enhance the lives of Wesleyan Senior Living Residents and they didn't disappoint. The list contains much needed items with a true focus on our Residents, their care and enhancing their surroundings. Your donation gift will be received with joy and appreciation and will bring smiles to the faces of Wesleyan Senior Living Residents. Many of the donations will be honored with a recognition plaque on the "Wish List item" in honor of the donor, their family or in memory of a family member of the donor's choice. Thank you in advance for your generosity.



\$20.26 per day for our Life Care Fund for Healthcare Residents
(*\$141.82 provides care for one Resident, for one week;*
\$616.24, for one month; \$7,394.90, for one year).)

\$50.00 per month to feed Toby, the dog
our companion pet in Beacon House at Wesleyan Village.

\$150.00 for a DVD player for Day Away
Adult Day Care at Wesleyan Village.

\$250.00 for a Tree or Park Bench
along the walking path at Wesleyan Meadows.

\$500.00 for a new recliner in our Assisted Living lounge at Wesleyan Village.

\$1,400.00 for a towel warmer, fluffy towels and an aromatherapy system for our Beacon House Residents.

\$3,000.00 for new computers, monitors and printers for use by Residents
in our Technology Learning Center (TLC) at Wesleyan Village or the Business Center at Wesleyan Meadows.

\$5,500.00 for a bird Aviary for our Assisted Living Residents.

\$3,200.00 for a large flat screen T.V., new recliners and new window treatments for our Adult Day Care.

\$7,200.00 for new window treatments, bedspreads and new paint for the Rehabilitation Unit.

Sponsorship Opportunities at the Golf Classic on Monday, July 20, 2009

\$225.00 for a Classic Package – Includes individual golfer, lunch and evening events. (\$55.00 per package can be considered deductible for tax purposes).

\$500 on Golf Carts – 8.5" x 11" signs with your company name & logo placed on half of the carts, plus sponsorship listing in the program.
(*\$500 per sponsorship can be considered deductible for tax purposes.*)

\$2,000 for Social Hour – after golfing, participants relax and mingle on the comfortable outdoor patio. Complimentary beverage tickets are imprinted with sponsor's name, and a sign with sponsor's name is placed at the refreshment table.
(*\$2,000.00 per sponsorship can be considered deductible for tax purposes.*)

Wesleyan Meadows....Serene, Relaxing, Amazing

Ahhhh, a home on a pond. Imagine waking up every morning to the sight of a beautiful pond, having your morning coffee in your very own sunroom with a view of the fountain. Now that's perfection.

For independent, active seniors, every home at Wesleyan Meadows offers 100% maintenance-free living on 36 acres of beautifully landscaped grounds in Sheffield Village, Ohio.

With more time on your hands, our campus is located only a short drive from the many Cleveland area sports and entertainment venues. On-campus gathering areas include:

- Three Scenic Lakes
- Grand Banquet Room
- Computer Center
- Woodshop
- Fitness Room
- Billiards Room
- Library

When you choose to live at Wesleyan Meadows, you get peace of mind knowing that you are guaranteed a lifetime of medical attention as you age, as your needs change – forever.



You're youthful. You're looking for luxury living and an energetic lifestyle. You want maintenance free. Look no more.



Call Marydale today to set up an appointment and let the Ahhhh's begin.
440-934-0772

Experience our community through the eyes of our Residents

YOU'RE INVITED TO OUR SUMMER TOUR OF HOMES

FRIDAY, JUNE 26TH, 2009, 11:30 AM

JOIN US FOR A PRESENTATION FOLLOWED BY A LUNCH BUFFET
TO LEARN MORE ABOUT WESLEYAN SENIOR LIVING.

SPECIAL "CONTAINER GARDENING" PRESENTATION BY PINEHAVEN GREENHOUSE

TOUR OUR BEAUTIFUL WESLEYAN MEADOWS CAMPUS. RESIDENTS WILL BE
AVAILABLE TO SHARE THEIR STORY... WHY THEY CHOSE WESLEYAN MEADOWS.

5400 MEADOW LANE COURT, SHEFFIELD VILLAGE, OH 44035

**CALL TODAY TO RESERVE YOUR SPOT!
SEATING IS LIMITED. 440-934-0772**



Please Join Us!
15th Annual Golf Classic



Wesleyan Senior Living Foundation

July 20, 2009

Red Tail Golf Club

Avon, OH

Proceeds to benefit the Life Care Fund, enabling older adults to age in place within a continuum of care.

Wesleyan Senior Living Foundation supports Wesleyan Senior Living, and our campuses of Wesleyan Village (Elyria, OH) and Wesleyan Meadows (Sheffield Village, OH) in meeting our mission to provide quality services and residences enabling persons to age creatively with the support of a Christian community. The Annual Golf Classic provides necessary support to our Life Care Fund, enabling older adults to age in a place within a continuum of care. Your support of the 15th Annual Golf Classic may represent a charitable donation (see Sponsorship notes on page 6), and is tax-deductible, as allowed by law. For more information, contact Michael H. Rogan, President/CEO, of Wesleyan Senior Living at 440.284.9202 or mrogan@villageliving.org.



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